



# WEEK OF JUNE 7

SKIFT RESEARCH TAKE



by + Skift Team  
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# Skift.

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If you have any questions about the report  
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# REPORT OVERVIEW

This report highlights the latest insights from the Skift Recovery Index, as we have added data for June 7 to June 13. The total available dataset now spans from December 29th, 2019 to June 13th, 2020 (weeks 1 to 24).

The Skift Recovery Index is a real-time measure of where the travel industry at large — and the core verticals within it — stands in recovering from the COVID-19 pandemic. It provides the travel industry with a powerful tool for strategic planning, of utmost importance in this uncertain business climate.

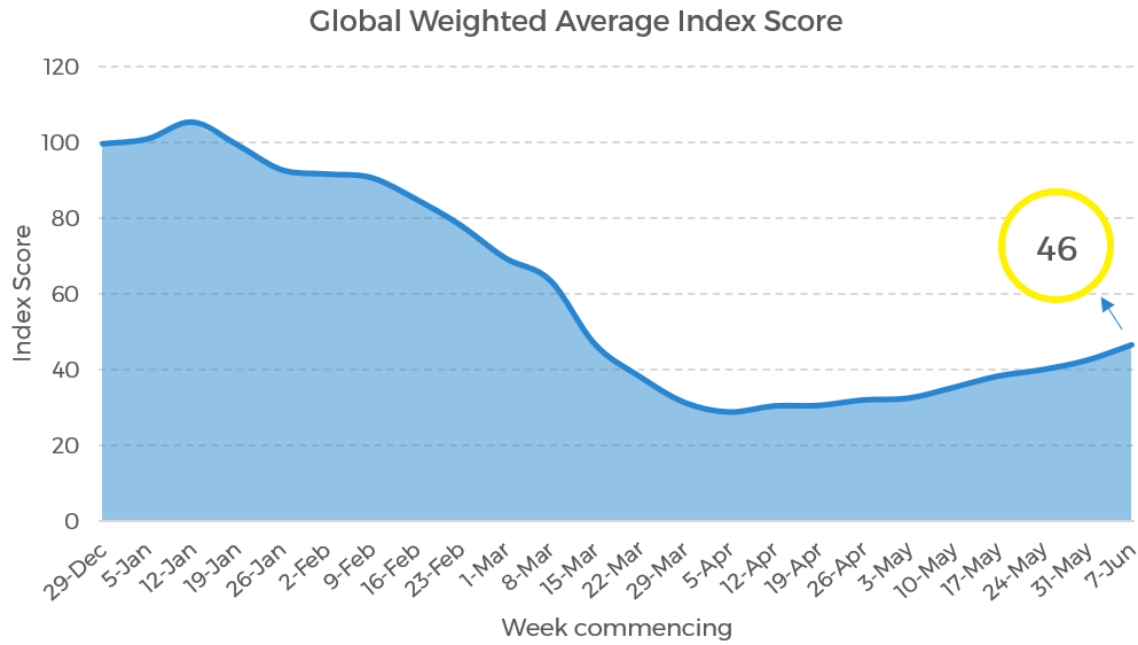
We are currently working with [Arrivalist](#), [Criteo](#), [Hotelbeds](#), [OAG](#), [RateGain](#), [Shiji Group](#), [SimilarWeb](#), [SiteMinder](#), [Sojern](#), and [Transparent](#) as data partners for the Skift Recovery Index. We continue to be open to add additional partners. Please get in touch at [research@skift.com](mailto:research@skift.com) to discuss.



## Slow and Steady

As has become customary over the past weeks, the recovery of the travel industry continues, with a few signs that the pace is picking up. The Skift Recovery Index now stands at 46, five points higher than last week.

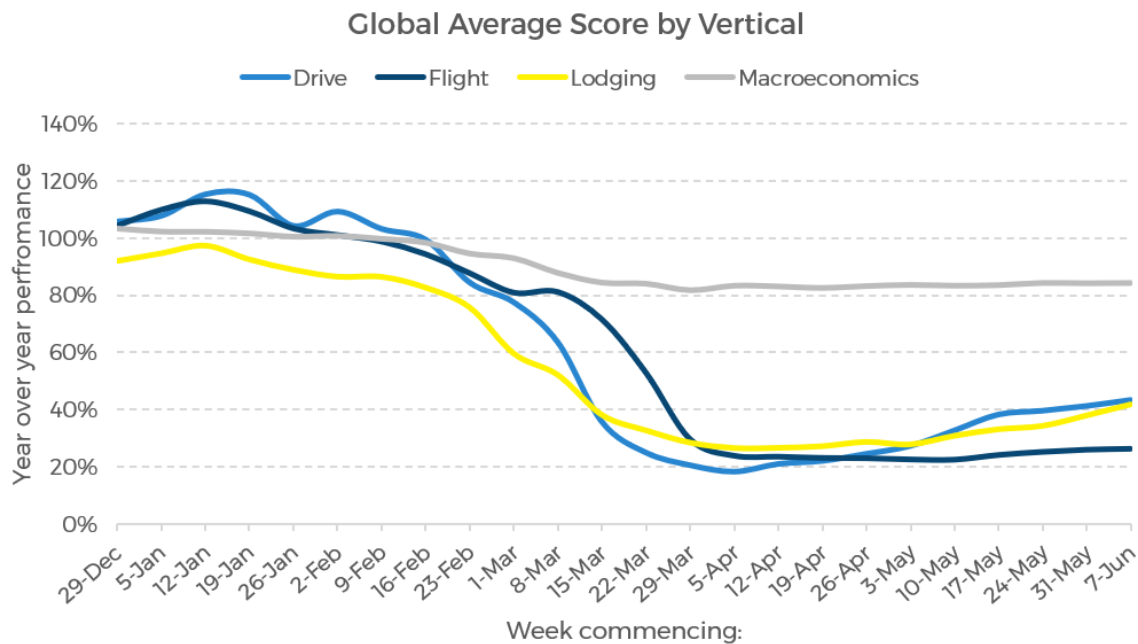
### Exhibit 1: Skift Recovery Index nears 50% mark



Source: Skift Research

The lodging vertical is turning into the star performer, coming close to overtaking drive as the strongest performing of the industry indicators. The drive vertical, which includes indicators for car rental and car journeys made, has largely plateaued after a strong initial interest in driving holidays — likely mostly domestic — and we would expect to start seeing the flight vertical perform better over the coming weeks as country borders open up.

## Exhibit 2: Lodging vertical shows strongest improvements



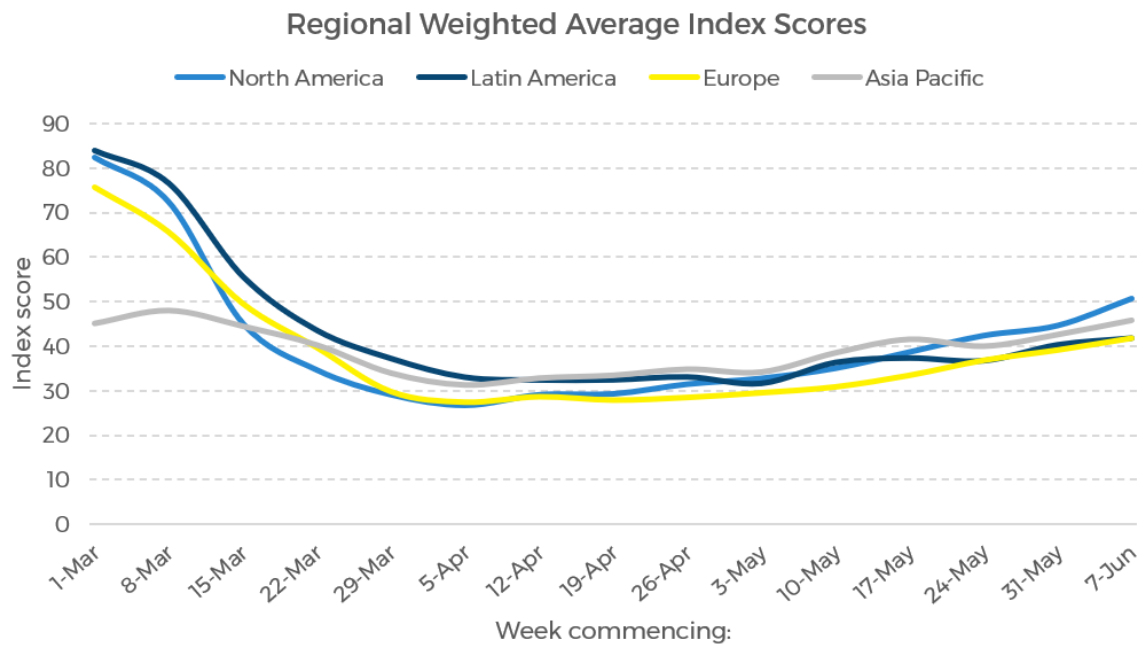
Source: Skift Research

## Europe Starts International Reopening

June 15 might become a seminal moment in the recovery of the tourism industry in Europe. Earlier this week, many EU member states opened up their borders to EU nationals traveling for leisure purposes. Further openings are expected by the end of the month for travelers from outside the EU. While each country has their own specific rules, there is a general tendency now towards opening borders just in time for the summer tourism season.

According to the World Travel and Tourism Council (WTTC), the tourism industry contributed \$2 trillion to the European economy in 2019, and accounted for 9.1% of the region's GDP. GDP contributions for the most prolific tourism destinations are much larger than this average, with the Mediterranean economies of Italy, Spain, Portugal, and Greece relying on tourism for 13.0%, 14.3%, 16.5%, and 20.8% of GDP respectively. It is safe to say that a strong tourism recovery is of utmost importance for a true economic recovery in these countries.

Europe, and especially Spain and Italy, have been at the epicenter of the coronavirus over the past months, but over the past weeks have started opening up. The index shows how Europe has been tracking below other regions between mid-April and mid-May. Since then the region has seen an upward trend.

**Exhibit 3: Europe picking up the pace, with Latin America plateauing**

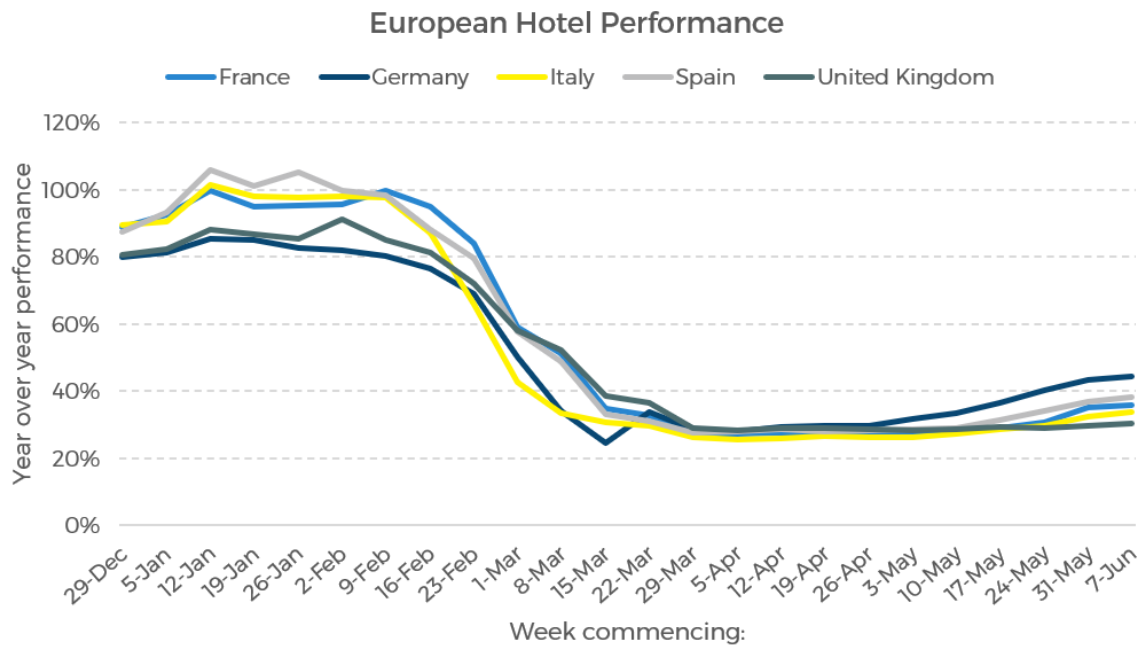
Source: Skift Research

When zooming in on the European countries that are included in the index, we can see that there is a recent uptick in performance across all countries and sectors. For example, when collating all indicators focusing on hotel searches, bookings, and stays as a proxy for overall hotel performance, we can see that this is up in all countries.

Germany, after a strong decline in the first half of March has seen the strongest growth. As pointed out in last week's update, Germany has a strong domestic traveler base, and might be able to convert its high share of outbound travelers into domestic travelers.

The UK, no longer part of the EU bloc, has seen the most coronavirus deaths in Europe, and a longer period of lockdown than most other countries. In our index, currently the UK shows the slowest uptick in hotel performance in Europe. The country has only just started to reopen, and remains closed to all but necessary foreign travel. Also amongst EU member states, the UK is now largely treated as an outsider, with the Netherlands for example, excluding the UK from loosened entry restrictions.

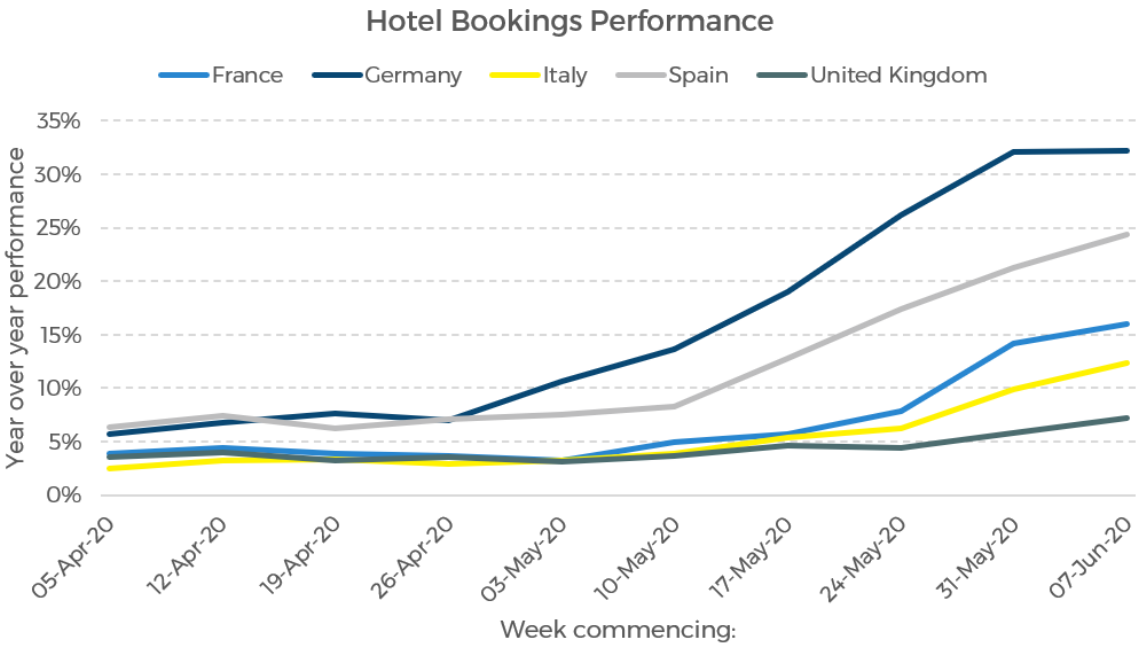
## Exhibit 4: Hotel performance in European countries



Source: Skift Research

If we focus specifically on future hotel bookings, there is a clear recovery over the past couple of weeks. Since early May, Spain for example has started moving out of a strict lockdown which saw many of the country's hotels close, and on May 23, Spain's prime minister [made an announcement](#) about opening its borders to overseas visitors from July 1. Bookings have considerably increased since then, but are still only at around 25% of the same time last year. We should also keep in mind that this does not take future cancellations into consideration, so if a further virus wave happens, these bookings might not translate into actual earnings. It remains a fragile time.

Exhibit 5: UK falls behind while Spain shows strong progress



Source: Skift Research



# DATA PARTNERS

We would like to thank the following partners who are collaborating with Skift Research by providing their data which shapes the Skift Recovery Index.

**ARRIVALIST** uses mobile location datasets to provide actionable insights on consumer behavior, competitive share, media effectiveness, and market trends, and has been [tracking driving behavior](#) of U.S. residents, which we have included in the Index.

**CRITEO** is a global technology company powering the world's marketers with trusted and impactful advertising. The company provides indexed data from various OTA, airline, and car rental partners.

**HOTELBEDS** provides over 180,000 hotels across the globe with access to high-value, complementary distribution channels that do not compete with the hotelier's direct distribution strategy. The company provides data on hotel bookings and source market performance.

**OAG** collects and analyzes data about every journey, every booking, every take-off and landing, departure, and delay, totalling over 110,000 flights, 100,000 schedule changes daily and over 4 million flight status updates. OAG provides flight capacity data for the Skift Recovery Index.

**RATEGAIN** helps travel and hospitality companies with cognitive revenue management, smart e-distribution, and brand engagement. RateGain supports over 250,000 hotel properties globally by providing 240 billion rate and availability updates, and powering over 30 million bookings. For the Index, RateGain provides hotel bookings and cancellation data.

**SHIJI GROUP** provides software solutions and services for the hospitality, food service, retail, and entertainment industries, serving over 74,000 hotels, 200,000 restaurants and 600,000 retail outlets across the world. Shiji Group provides China hotel bookings and room night data for the Skift Recovery Index.

**SIMILARWEB** gathers digital data from multiple sources, including first-party direct measurement, public data sources, anonymous behavioral data, and external partners. For the Index, SimilarWeb provides unique visitor data to the top 10 travel websites per country.

**SITEMINDER** works with over 35,000 hotels as their guest acquisition platform to generate in excess of 100 million reservations worth over US\$35 billion in revenue for hotels each year. SiteMinder provides hotel booking data for the Skift Recovery Index, pulled from its [World Hotel Index](#).

**SOJERN** provides digital marketing solutions for the travel industry, helping to drive direct demand for more than 10,000 hotels, attractions, tourism boards, and travel marketers. Sojern contributes flight and hotel search data for the Skift Recovery Index.

**TRANSPARENT** provides business intelligence serving the vacation rental industry,

including insights around supply growth, demand patterns, rate changes, and property manager activities. Transparent contributes occupancy and bookings data for the Skift Recovery Index. The company draws on data from the 34 million vacation rental listings they track worldwide, in every geography.

We would welcome more partners who want to join this effort. Please [get in touch](#) to talk about a possible collaboration.

# ABOUT SKIFT

Skift is the largest intelligence platform in travel, providing media, insights and marketing to key industry sectors.

## THE SKIFT RESEARCH DIFFERENCE

Skift Research is the official research arm of Skift. Our reporting combines:

- Skift's extensive industry experience
- Rigorous financial & quantitative analysis
- Qualitative insights from top executives at nearly every major travel company

We conduct primary research, summarize our findings through desk analysis, and present them back to you in a digestible format which you can take to your team, partners, and clients to understand the market and make decisions.

Using our proprietary blend of qualitative and quantitative analysis, Skift Research closes the information gap faced by businesses today.

Contact us at [research@skift.com](mailto:research@skift.com)!